

Written Statement
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“Lebanon’s Security Challenges and U.S. Interests”
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Chairman Ros-Lehtinen, Ranking Member Deutch, Members of the Subcommittee, thank you for inviting me to testify today on the situation in Lebanon and our policy towards an important country in a very volatile region.

Your hearing comes at a key moment for Lebanon’s security and stability – and that of the entire Levant. The massive refugee influx into Lebanon represents an urgent humanitarian crisis. Lebanon hosts the largest refugee population, per capita, in the world. Just five days ago, Lebanon passed the inauspicious milestone of registering its one millionth Syrian refugee, representing over 20 percent of Lebanon’s resident population. But the refugee challenge is only one of several that Lebanon’s leaders face today. In addition to the refugee crisis, I will discuss today the political, security and economic challenges Lebanon faces, and how the United States is responding to all these challenges, because Lebanon’s future affects important U.S. interests in the region.

The United States has a long history of diplomatic engagement with Lebanon to build a partnership that promotes our shared interests in regional stability, the development of democracy, economic prosperity, and the international effort to counter terrorism and violent extremism. We have worked to support and rebuild Lebanese state institutions that were left in ruins as a result of the civil war, and we have provided development assistance that helps to improve the lives and livelihoods of Lebanese citizens. Since the end of Syria’s occupation of Lebanon in 2005, we have accelerated our assistance to crucial state institutions to enable them to take on the leadership roles and management functions that a national government should perform. Our goal is to have an effective partner for the long term that shares our concerns and is actively helping stabilize the region.

Madam Chairman, it is essential that the international community stand by responsible forces in Lebanon in a broader sense, and particularly so in the next several months. Let me explain why.

Political Challenges

Lebanon is at a critical point in its attempt to establish lasting stability and an effective political system, but the conflict in Syria threatens the progress that has been made. Lebanon's political leaders face three political hurdles in the first few months of this year. So far, they have passed two of them – forming a cabinet and getting its ministerial statement approved by Parliament, and the Lebanese people expect them to pass the third – the election of a president. The March 20 approval of Prime Minister Salam's cabinet, after months of stalemate, is a welcome development for the Lebanese people and an opportunity for the United States and Lebanon to work together toward shared goals.

We also welcomed the agreement on a ministerial statement – this cabinet's policy platform – that enabled it to obtain a vote of confidence and thus become empowered to address all issues. After nearly one year with a caretaker cabinet that did not have the authority to respond fully to Lebanon's challenges, this was a critical development. In all the focus on the Syrian conflict and its impact on Lebanon, we sometimes forget that the Lebanese government faces all the normal tasks other governments do, including many pending critical decisions affecting the economy. The new government now has the power to address these issues, and we look forward to it doing so.

The Lebanese people deserve a government that responds to their needs and protects their interests. This new government is comprised of eight members from the March 14 coalition, eight from the March 8 coalition, and eight others without formal affiliation. The government is in a sense an improvement over its predecessor: nearly all political factions are represented in a careful balance, and after three years outside of government, the pro-Western March 14 coalition is now part of the cabinet. It is clear that the March 14 coalition determined that its interests in stabilizing Lebanon and promoting democracy and good governance were better served by participating in this government. We look forward to working with the new government; how we will work with it will depend on its policies and its actions.

President Sleiman's term in office is scheduled to end on May 25. We have made clear to all those concerned in Lebanon that the United States strongly

believes that presidential elections should be conducted on time, freely and fairly, in keeping with the constitution, and without foreign interference. We hope that the interest in a stable Lebanon that drove the parties to reach agreement on the new cabinet will also drive them to ensure that there is no vacancy in the presidency, the highest position reserved for Christians in the country. To fail to peacefully transfer power to a president could undermine the momentum created by the formation of a fully-empowered government. At this critical moment, Lebanon needs responsible leadership that will address the challenges facing Lebanon and fulfill Lebanon's international obligations.

Security Challenges

Lebanon faces unique and serious security problems: an un-demarcated and porous border with Syria that sees terrorist infiltration in both directions; areas of the country outside full state control; Hizballah's weapon stockpiles that lie beyond government authority; the continuing need to implement UNSCR 1701, which calls for the disarmament of all armed groups in Lebanon and stresses the importance of full control of Lebanon by the government of Lebanon; and a history of foreign interference in Lebanese internal matters.

Challenges to security are rising. Existing political and sectarian differences have been intensified by the war in Syria; Hizballah entered that war against the earlier agreement of all Lebanese parties and the government to "dissociate" the country from foreign conflicts. The Lebanese people know only too well the repercussions of spillover from the Assad regime's brutal suppression of its own people. Syrian aircraft and artillery continue to violate Lebanon's borders with impunity, killing and wounding Lebanese civilians and Syrian refugees alike. Lebanese towns near the border with Syria, such as Aarsal, have borne a particularly heavy burden – both of refugees and of violence.

Hizballah is dragging the Lebanese people into a war as it protects and empowers the Assad regime, whose continuation can only result in more conflict, more acts of terror, and more potential instability for Lebanon. Hizballah clearly does so not in the interest of Lebanon, but in its own narrow interests and on behalf of its foreign sponsors. Its participation in the war in Syria has also helped to draw foreign fighters– both Shia and Sunni – to Syria, increasing the risk of radicalized fighters bringing terror back to their home countries. Hizballah's posture of acting inside the state when it is convenient, but stepping outside the state to use arms and violence for its self-interests, remains deeply disturbing and destabilizing. That is why the implementation of UNSCR 1701 is so necessary.

And now, extremists fighting the Assad regime and its Hizballah backers have brought that fight inside Lebanon, through a wave of reprehensible terrorist attacks that have killed and injured scores in Beirut and other cities. The United States has condemned those terrorist attacks. Lebanon needs to be spared this politically and economically damaging cycle of violence begun by Hizballah's interference in an internal struggle in Syria. The United States, the Government of Lebanon, and the Lebanese people share this goal.

In this tough environment, a significantly stretched Lebanese Armed Forces (LAF) has acted to maintain internal security, and it has taken losses in those operations, as has the Internal Security Forces (ISF), both of which receive U.S. assistance. Over 16 LAF soldiers were killed in a June 2013 attempt to arrest an extremist and his followers in Sidon; three were killed by violent extremists on March 29th of this year. The LAF is currently undertaking a major operation in the northern city of Tripoli to help end politico-sectarian clashes and calm tensions. They have made progress in this regard. The security forces are also deploying to the northern and central Bekaa to calm tensions there.

The LAF has had recent counter-terrorism successes. It has captured a number of high-profile terrorists, including a facilitator for several al Qaeda-affiliated groups that have carried out a spate of brutal suicide bombings in Beirut, Hermel, and other Lebanese towns. We share Lebanon's concerns over the presence and activities of these extremists. This is not just a Lebanese problem; the growth of this extremist presence in Lebanon is a key focus of the United States and our international partners. Within Lebanon, these abhorrent acts of terrorism threaten the principles of stability, freedom, and safety that the people of Lebanon have worked so hard to uphold; they also damage the economy. We urge all parties in Lebanon to refrain from retaliatory acts that contribute to the cycle of violence.

These incidents highlight the ongoing dangers to Lebanon from the conflict in Syria, Hizballah's armed support for the Assad regime, and the flow of violent extremists (including the Nusra Front, the Islamic State of Iraq and the Levant, and the Abdullah Azzam Brigades) into Lebanon. The states from which these fighters are coming are indeed concerned about the dangers these fighters will present when they return to their home countries. Stopping these flows and the flow of private financing to extremists is a responsibility of all governments in the region and beyond.

Central to any country's stability is a trained and capable security sector that is accountable to the people and the state. The critical support we provide to the LAF and the ISF is intended to build their capacities to thwart violent extremists and criminal organizations and to ensure security throughout the country, including control along its borders. Our assistance to the LAF strengthens its ability to serve as the sole institution entrusted with the defense of Lebanon's sovereignty.

We seek to increase this assistance in order to modernize the LAF, and in particular to provide training and equipment to help defend its borders with Syria. Clearly, the LAF needs to do more to patrol and secure its borders. And clearly, this is not just a military issue, but a political one as well. It is a priority for those of us providing assistance to the LAF to enhance its capabilities, even as we encourage maximum effort and political support to enable the LAF to assert control over Lebanese territory.

The LAF remains above politics and factional interests, as desired by the vast majority of the Lebanese people. It is a badly needed example of cross-confessional integration for the entire country, and it remains one of the most respected national institutions in Lebanon because it reflects the diversity of the country.

Our sustained support is critical to improving the capabilities of the LAF. For example, our International Military and Education Training programs builds lasting professional relationships between the senior ranks of the LAF and the U.S. military, and strengthens the values of civilian leadership and respect for rule of law within the LAF officer corps. My Department of Defense colleague, Deputy Assistant Secretary of Defense Matt Spence, will provide greater detail of our relationship with the LAF, but I want to emphasize the importance of the relationships we have built with the LAF and with the ISF over the years. Supporting the LAF can also strengthen its ability to serve as a model for other Lebanese institutions.

Our assistance has been effective and is welcomed by the Lebanese people. We need to maintain this partnership in support of our own national interests. In addition, the Department's Antiterrorism Assistance (ATA) program has been working with the ISF since 2006 to build its capacity to investigate terrorist incidents, secure borders to stem the flow of arms and terrorists, and professionalize the ISF leadership. Our partnership with the ISF has been fruitful.

Since 2007, the U.S. government has provided basic and specialized training for over 8,000 ISF members. We are helping to increase ISF effectiveness through training in modern policing practices, in order to enable the ISF to better maintain internal security, a key to helping relieve the Lebanese Armed Forces from law enforcement duties. This is especially important now, with the spillover of violence from Syria and resulting increased demands on the LAF.

Let me emphasize that we continually assess our policy of engagement with and assistance to the Government of Lebanon to ensure that no foreign terrorist organizations (including, but not limited to Hizballah) influence or benefit from the assistance we provide to the LAF and the ISF.

We thank Congress for its continued support of State and Defense programs that provide for Lebanon's security and economic development; these programs have only grown more important in light of the Syria conflict.

As you know, Saudi Arabia has committed to provide \$3 billion in assistance to the LAF. International assistance to the LAF can help build up the capabilities the LAF needs. The United States believes international donors should complement each other's efforts in order to maximize the growth of needed capabilities for an armed force whose troops are badly stretched across the country. We are in contact with the governments of Saudi Arabia and France regarding this assistance to promote maximum coordination. However, this does not by any means replace or obviate the need for U.S. assistance, which is crucial to providing the training and capacity-building that the LAF needs and solidifying this important officer-to-officer, soldier-to-soldier relationships.

Humanitarian Challenges

Lebanon hosts more refugees from Syria than any other country – both per capita and in absolute terms. Refugees – half of whom are under the age of 18 – reside in host communities, in rented accommodations, unfinished buildings, or in informal tented settlements in more than 1,600 localities throughout the country. There is not a single Lebanese community that has not been affected by the refugee crisis. With refugee arrivals continuing unabated, the sheer volume of need has overwhelmed the ability of the central government and local municipalities to respond to the enormous challenge of providing public services to this large and growing population.

The United States is doing its part, providing more than \$340 million in humanitarian assistance since the beginning of the conflict in Syria to support the needs of refugees in Lebanon and, importantly, the communities that host them. Lebanon does not have formal refugee camps for Syrian refugees; almost all live in Lebanese communities, placing enormous strains on basic infrastructure, health and educational systems. It is essential that the international community address the needs of the host communities as well as those of the refugees. For example, last September at the inaugural meeting of the International Support Group for Lebanon, Secretary Kerry announced an additional \$30 million in assistance specifically aimed at helping the communities that host these refugees. This commitment is provided in addition to our on-going economic and development assistance programs that have been adjusted to help Lebanon face these specific challenges.

Some of our assistance provides medical interventions to prevent communicable diseases like polio and hepatitis; other programs provide basic immunizations to every child, whether Lebanese, Syrian, or other nationalities, at border crossings and in refugee-hosting communities. Our assistance also helps improve the quality of Lebanon's public school system, which has been inundated by Syrian school-age children. Our programs refurbish and enlarge dilapidated schools to accommodate a larger student body, and we then equip these schools with educational materials and school supplies. Our assistance also provides psycho-social support to some Syrian, Palestinian, and Lebanese children, who have been traumatized by the war, its effects on civilians, and continuous cross-border attacks on Lebanese communities by the Syrian regime.

In its current humanitarian appeal, the UN is seeking \$1.7 billion in 2014 to respond to the refugee crisis in Lebanon, on top of the money that the government of Lebanon is already spending on the humanitarian response. The scope of the crisis is an unprecedented challenge for the UN humanitarian agencies and non-governmental organizations; the Lebanese will face this challenge for some time. We appreciate the generosity and hospitality of the Lebanese government and the Lebanese people and understand the gravity of the situation on Lebanon's fragile society and strained infrastructure. The international community must step up to provide robust humanitarian and development assistance to support refugees and host communities in order to bolster Lebanon's stability while meeting urgent humanitarian needs.

Unfortunately, some countries have not yet delivered on their pledges made at the most recent donors' conference in Kuwait in January. We call on them to

join us in doing so. The United States is also committed to reducing the burden on Lebanon and other countries in the region by considering more Syrian refugees for resettlement in the United States. UNHCR has announced its intention to refer to all resettlement countries up to 30,000 Syrian refugees in the region for resettlement by the end of 2014, and up to 100,000 by 2016. We expect to play a leading role by considering thousands of these referrals as UNHCR scales up its program.

Economic Challenges

The spillover of the conflict in Syria, including terrorist attacks in Beirut and elsewhere, has weakened Lebanon's tourism sector, investment, and foreign trade – all important components of Lebanon's open economy. Uncertainty has depressed consumption, with wealthy tourists gone and more Lebanese reluctant to spend. Investors are delaying decisions, and Lebanon's crucial land trade routes have been disrupted. This year will likely be the fourth consecutive year of slowing growth for the Lebanese economy. The World Bank has estimated that the crisis will cut real GDP growth in Lebanon by 2.9 percent this year. The Bank estimated that the conflict cost Lebanon \$2.5 billion in lost economic activity in 2013 alone, and could push 170,000 Lebanese into poverty.

U.S. economic assistance programs encourage growth in Lebanon by improving the technical expertise of small business owners and their access to financial resources, especially in the agricultural sector. We also encourage the Lebanese government to do more to promote economic reform, including privatization of its moribund public sector industries, which has been stymied due to political gridlock.

Through U.S. development assistance, we are working to improve the quality and delivery of water services across the country. In North Lebanon, an area estimated to be hosting more than 200,000 refugees, we are installing water networks and improving existing pumping stations in underserved villages, to increase water supply and expand the network to new users. In the Bekaa, we are installing chlorination systems and water networks to enhance the quality of water and increase supply.

The United States also provides scholarships for needy Lebanese students to attend the American University of Beirut and the Lebanese American University. These scholarship recipients, who represent all of Lebanon's geographic, religious, and ethnic diversity, are graduates of the Lebanese public school system who have

opportunities to attend American-style universities that are among the best in the region. We do this – educating more than 300 students in the last five years – to bring opportunity to talented but economically disadvantaged students and to invest in a brighter future for Lebanon and the region.

Banking is a pillar of the Lebanese economy, and the banking sector, despite all of Lebanon's economic challenges, saw deposits grow significantly in 2013, providing economic stability through its purchases of government debt and funding of private sector activity. Given its importance, it is all the more critical that the banking sector in Lebanon safeguards Lebanon's place in the international financial system by doing all it can to protect itself and correspondent banks in the U.S. and elsewhere from money laundering and terrorist finance. In coordination with the Treasury Department, we closely engage with the Central Bank of Lebanon and with Lebanese banks to ensure that they have vigorous systems to combat these illicit finance threats. We appreciate the cooperation we have received from the Lebanese banking sector to date and look forward to further cooperation.

The most promising economic sector in Lebanon in the medium- to long-term is the hydrocarbons industry. Lebanon may have substantial reserves of offshore natural gas and maybe even oil deposits. However, the lengthy political stalemate of the last caretaker government, as well as an unresolved maritime boundary with Israel, has prevented Lebanon from further exploring its offshore resources. No exploration has taken place, and any potential finds would take a number of years to begin producing, but U.S. companies are interested in this potential new sector.

The United States engages both the Lebanese and Israelis to encourage an arrangement, without prejudice to competing claims over maritime boundaries, whereby international petroleum companies can have the confidence to explore and develop Lebanon's resources. We hope the new government will continue efforts to find such an arrangement, and we hope the Lebanese people will be able to enjoy the benefits of these resources. Deputy Assistant Secretary of State Amos Hochstein has been engaged with Lebanese officials and was in Beirut last week for discussions with the new government. We continue to make progress toward a mutual understanding between Israel and Lebanon and continue to encourage both sides to avoid activity in the disputed area.

The Importance of Broad International Support

In the face of all the challenges I have cited, UN Secretary General Ban Ki-moon and President Michel Sleiman mobilized support for Lebanon's stability, sovereignty, and state institutions by launching last September the International Support Group for Lebanon, which currently consists of the UN, the permanent members of the UN Security Council, the World Bank, the Arab League, Germany, Italy, and the EU. It was a strong demonstration of international support for Lebanon's sovereignty and stability, and for responsible Lebanese political actors. We look to the ISG to be an active vehicle by which the international community can demonstrate political and financial support to promote stability and to help Lebanon address specific challenges. In two days' time, I will join representatives from other ISG member nations in Rome to discuss with representatives from the LAF how the international community can further address Lebanon's security assistance needs in an effective way.

The United States, along with many others in the international community, is committed to ensuring an end to the era of impunity for assassinations and political violence in Lebanon. That is why we strongly support the work of the Special Tribunal for Lebanon. Three months ago, the Tribunal began its initial trials to bring to justice those responsible for assassinating former Prime Minister Rafik Hariri in 2005, along with 21 innocents killed in this and other attacks. The Lebanese people deserve accountability and justice. The commencement of the trials is an important step, but political violence still plagues Lebanon. Last December, former Finance Minister and Ambassador to the United States Mohammad Chatah was assassinated in downtown Beirut – a great loss for Lebanon. Two other March 14 leaders survived assassination attempts in 2012 – a minister in the current cabinet, Boutros Harb, and Lebanese Forces leader Samir Geagea. Respected ISF Information Branch Chief Wissam al-Hassan was killed in a car bomb in Beirut in October 2012. We urge the entire international community to support the Lebanese people's quest for accountability in these cases.

Chairman Ros-Lehtinen, Ranking Member Deutch, Members,

Lebanon has faced many existential challenges since gaining independence in 1943, and today it faces similar challenges from the war in Syria. Lebanon has found reliable international partners to see it through some of its darkest periods and emerge the stronger for it. The 1989 Taif Accord was the basis for ending 15 years of civil war, and its multi-confessional National Pact remains in effect. UN Security Council Resolutions 1559 and 1701 helped structure a return to stability. The 2012 Baabda Declaration established the principle that all Lebanese parties

and factions should abstain from regional conflicts; it needs to be implemented by all parties.

But Lebanon also has friends. The United States is one of them, and will remain so. We need to stand with the people of Lebanon – not just to stand for our principles, but to serve our national interests, including the promotion of a stable, secure and sovereign Lebanon, one that is free of foreign interference and that is able to defend its own interests. And we will continue our efforts to end the conflict in Syria; otherwise, that conflict will continue to destabilize Lebanon and other states in the region.

Thank you again for this opportunity. I look forward to your questions.